

Company Registration No. 10923425 (England and Wales)

**Phytoform Labs Limited**

**Unaudited financial statements  
for the year ended 31 December 2023**

**Pages for filing with the registrar**

**Phytoform Labs Limited**

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**Phytoform Labs Limited**

**Balance sheet**  
**As at 31 December 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		98,780		-
Tangible assets	5		186,170		181,308
			<u>284,950</u>		<u>181,308</u>
<b>Current assets</b>					
Debtors	6	352,574		414,166	
Cash at bank and in hand		389,547		716,515	
		<u>742,121</u>		<u>1,130,681</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(5,221,314)</u>		<u>(4,128,537)</u>	
<b>Net current liabilities</b>			<u>(4,479,193)</u>		<u>(2,997,856)</u>
<b>Net liabilities</b>			<u>(4,194,243)</u>		<u>(2,816,548)</u>
<b>Capital and reserves</b>					
Called up share capital			2		2
Profit and loss reserves			<u>(4,194,245)</u>		<u>(2,816,550)</u>
<b>Total equity</b>			<u>(4,194,243)</u>		<u>(2,816,548)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 13 March 2024 and are signed on its behalf by:

Dr Nicolas Kral  
**Director**

**Company Registration No. 10923425**

## Phytoform Labs Limited

### Notes to the financial statements

For the year ended 31 December 2023

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#### **1 Accounting policies**

##### **Company information**

Phytoform Labs Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lawes Open Innovation Hub, West Common, Harpenden, Hertfordshire, AL5 2JQ.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

The company qualifies to make claims under the SME R&D tax relief scheme. Tax credits arising from successful claims under the SME R&D tax relief scheme are reflected 'below the line' as a reduction in the Corporation Tax charge or, if loss making, as a Corporation Tax credit. Tax credits receivable from R&D claims are recognised in the reporting period in which the qualifying expenditure is incurred.

**Phytoform Labs Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2023**

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**1 Accounting policies (continued)**

**1.5 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	10 years straight line
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**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	3 years straight line
Office equipment	3-4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Phytoform Labs Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2023**

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**1 Accounting policies (continued)**

**1.8 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

*Basic financial assets*

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

*Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the financial statements (continued)

For the year ended 31 December 2023

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**1 Accounting policies (continued)**

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

*Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 Share-based payments**

The entity's parent company operates an equity-settled compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense in the income statement if it is considered material to the financial statements. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to the intercompany account on the statement of financial position because the share options are equity-settled by the parent.

**1.15 Leases**

**Phytoform Labs Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2023**

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**1 Accounting policies (continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.16 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Total	20	15
	<u>          </u>	<u>          </u>

Phytoform Labs Limited

Notes to the financial statements (continued)

For the year ended 31 December 2023

**4 Intangible fixed assets**

	<b>Development costs</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2023	-
Additions	98,780
	<u>98,780</u>
At 31 December 2023	<u>98,780</u>
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2023 and 31 December 2023	-
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2023	98,780
	<u>          </u>
At 31 December 2022	<u>          </u>

**5 Tangible fixed assets**

	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2023	111,494	192,829	304,323
Additions	107,262	5,848	113,110
	<u>218,756</u>	<u>198,677</u>	<u>417,433</u>
At 31 December 2023	<u>218,756</u>	<u>198,677</u>	<u>417,433</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>			
At 1 January 2023	44,731	78,284	123,015
Depreciation charged in the year	52,543	55,705	108,248
	<u>97,274</u>	<u>133,989</u>	<u>231,263</u>
At 31 December 2023	<u>97,274</u>	<u>133,989</u>	<u>231,263</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 December 2023	121,482	64,688	186,170
	<u>121,482</u>	<u>64,688</u>	<u>186,170</u>
At 31 December 2022	<u>66,763</u>	<u>114,545</u>	<u>181,308</u>
	<u>          </u>	<u>          </u>	<u>          </u>

**6 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	297,596	294,215
Other debtors	54,978	119,951
	<u>352,574</u>	<u>414,166</u>
	<u>          </u>	<u>          </u>

**Phytoform Labs Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2023**

**7 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	49,754	14,623
Taxation and social security	33,858	30,774
Other creditors	5,137,702	4,083,140
	<u>5,221,314</u>	<u>4,128,537</u>

**8 Share-based payment transactions**

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 January 2023	1,337,427	952,659	-	-
Granted	256,512	384,768	-	-
Forfeited	(142,567)	-	-	-
Exercised	(157,337)	-	-	-
	<u>1,294,035</u>	<u>1,337,427</u>	<u>-</u>	<u>-</u>
Outstanding at 31 December 2023	1,294,035	1,337,427	-	-
	<u>771,222</u>	<u>743,808</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 December 2023 had an weighted average exercise price of \$0.0001

**Liabilities and expenses**

The EMI qualifying share options vest over a 3 year period and are exercisable on the share capital of the parent company.

At the date of the financial statements, the fair value of the outstanding share options was deemed immaterial to the financial statements; it has therefore not been recognised.

The parent company also operates an unapproved share option scheme for contractors. At the start of the year the company had granted 161,551 unapproved share options. The company granted 106,878 unapproved share options to employees during the year (2022: 161,551) with an average weighted exercise price \$0.00001 per share.

**Phytoform Labs Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2023**

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**9 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2023</b>	<b>2022</b>
£	£
157,995	118,546
<u>157,995</u>	<u>118,546</u>

**10 Parent company**

The parent company of Phytoform Labs Limited is Phytoform Labs Inc and its registered office is Corporation Trust Center, 1209 Orange street, Wilmington, Delaware, 19801, USA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.